

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

**OIL & GAS DOCKET
NO. 08-0267750**

**RE: THE APPLICATION OF ENDEAVOR
ENERGY RESOURCES LP TO SUSPEND
THE ALLOCATION FORMULA IN THE
BLOCK 16 (DEVONIAN) FIELD, WARD
COUNTY, TEXAS**

FINAL ORDER

After statutory notice in the above numbered docket heard on November 5, 2010, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Notice of at least ten (10) days was given to all operators in the field and no one appeared at the hearing in protest.
2. The Block 16 (Devonian) Field is a non-associated gas field which was discovered in April 1968. There are six operators and fourteen producing gas wells carried on the proration schedule.
3. All operators of producing wells in the subject field have a 100% market demand for the gas produced from wells under their control.
 - a. No operator in the field executed Form AOF-2, but there were no protests to the application.
 - b. Endeavor Energy Resources LP's investigation of market conditions in the field did not reveal any curtailments of production due to lack of market.
 - c. Endeavor Energy Resources LP's Black "100" Lease, Well No. 1L, is overproduced by 240.9 MMCFG, indicating that a market exists for its produced gas.
4. Suspension of the allocation formula in the Block 16 (Devonian) Field will not cause a pipeline limitation.

CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission of Texas to persons legally entitled to notice.

2. All things have been done and occurred to give the Railroad Commission of Texas jurisdiction to decide this matter.
3. The subject field meets all the criteria established for suspension of the allocation formula under Statewide Rule 31(j).
4. Cancellation of the overproduction in the Block 16 (Devonian) Field will not cause waste and will not harm correlative rights.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Endeavor Energy Resources LP for suspension of the allocation formula in the Block 16 (Devonian) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Block 16 (Devonian) Field drops below 100% of deliverability. If the market demand for gas in the Block 16 (Devonian) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

It is further **ORDERED** that all overproduction in the Block 16 (Devonian) Field is hereby cancelled.

Done this 30th day of November, 2010.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
November 30, 2010)**